

Gates Drops Bid for Top CIA Post

By JAMES GERSTENZANG, *Times Staff Writer*

WASHINGTON—President Reagan on Monday withdrew the nomination of Robert M. Gates to be director of the Central Intelligence Agency, absorbing a new jolt to his effort to move his staggering Administration beyond the troubles of the Iran-contras scandal.

Gates' withdrawal came after he conferred with Reagan on Monday afternoon and was announced by new White House Chief of Staff Howard H. Baker Jr., who spent a hectic first day on the job meeting with top officials to orchestrate the next stage of the Administration's attempts to recover from the scandal.

In one development, the White House announced that Reagan will deliver a nationally broadcast speech Wednesday at 6 p.m. PST, offering his first lengthy response to the stinging criticism of his handling of the Iran arms sale initiative by the commission he had appointed to critique the White House national security apparatus.

Possible Nominees

No new nominee to direct the CIA was named. Gates, whose role in the Iran affair had attracted growing congressional opposition, will continue as acting director until a new director takes over, and then will return to his job as deputy director, the White House said.

The list of possible nominees to succeed William J. Casey was said to include Brent Scowcroft and John Tower, two members of the commission that delivered its investigative report on the Iran-contras affair last week. However, a Republican source said Tower has declined to be considered. Sources said other potential candidates include U.N. Ambassador Vernon A. Walters; Bobby Ray Inman, former deputy director of the CIA, and William Odom, director of the National Security Agency.

"It is an urgent item on the President's agenda and we hope to have a name to submit very soon," Baker said.

The arrival of Baker as the new chief staff in the wake of Donald T. Regan's resignation Friday fueled an atmosphere of hectic activity at the White House on Monday. As Baker's new aides were moving into their offices, a key Regan assistant was moved across the street to the Old Executive Office Building.

Baker took pains to portray Regan as deeply involved with his presidency and in touch with the challenges he faces.

One day after former Sen. Edmund S. Muskie (D-Maine), the third member of the Tower Commission, said he was amazed by Regan's detachment from the Iran policy's implementation and his inability to recall important details of the Iran-contras affair, Baker volunteered:

"I have never seen Ronald Regan more energetic, more fully engaged and more in command of difficult circumstances and questions that we were dealing with throughout this day. He has never been better."

Asked why he felt a need to make such a statement, Baker said in a late-afternoon briefing for reporters that such matters as, "Is this President fully in control of his Presidency? Is he alert? Is he fully engaged? Is he in contact with the problems?" are "uppermost in people's minds."

Thinks Advice Heard

Asked whether the President had reacted to the widespread advice that he change his "hands-off" management style and apologize for the Iran affair, the new White House official replied: "I think that the advice was heard and understood."

He added:

"I do not see a hands-off President, or . . . an AWOL President. I see a man who is very much in touch with the issues before this country and that confront his government."

On the other hand, he said that in connection with the Iran affair, "there were many, many things that the President did not know and that, under better circumstances, perhaps he should have known."

Baker's news conference was delayed several hours in the vain hope that Regan would have found a new nominee for the CIA post and could announce the choice himself.

Congress Members Called

As late as 4 p.m.—33 minutes before Gates' withdrawal was announced—the White House was said to still be contacting senior members of Congress in its search for a candidate.

The Administration's difficulty in finding a replacement for Gates stymied a plan to move quickly over its newest obstacle, erected when Gates decided to withdraw because the agency would have been damaged in a confirmation fight, even if he eventually won Senate approval.

Gates' difficulties with the Senate arose from allegations in the Tower report that CIA intelligence analysts under his supervision had deliberately slanted their reports to buttress the arguments of Administration officials who wanted to sell weapons to Iran.

In a letter to Reagan, Gates, a career employee of the CIA, noted the "strong sentiment" in the Senate to delay acting on his nomination until a Senate select committee has completed its investigation into the Iran affair, and stated: "A prolonged period of uncertainty would be harmful to the Central Intelligence Agency, the intelligence community and potentially to our national security."

In a written reply, Reagan praised Gates as "a remarkably talented and dedicated man who has served five Presidents," and said he is "impressed with the class he has shown under the enormous GATES pressures of recent weeks."

Gates also sent a letter to Sen.

Continued

David L. Boren (D-Okla.), the chairman of the Senate Intelligence Committee, in which he rebutted the allegations.

"In the last six years, the Senate Intelligence Committee has not brought to our attention a single instance of what they believed was slanted or distorted intelligence—and they get it all," Gates wrote in the letter he made public.

He also denied allegations that he had acquiesced in the secret arms sales, ignored evidence that profits from the deal were being diverted or participated in an attempt to cover up the facts once the affair was exposed.

He said allegations that he had helped in an attempted cover-up are "particularly outrageous. All available evidence substantiates my testimony that I urged getting all the facts before the committee."

Gates also denied that he had encouraged a CIA plan for a joint U.S.-Egyptian invasion of Libya in 1985. "CIA analysis prepared at my direction was the basis for rejection of this policy option," he said.

Gates Not Implicated

Boren and Sen. William S. Cohen (R-Me.), the committee's vice chairman, noted that the committee had found no evidence that Gates was involved in any wrongdoing in connection with the Iran-contra affair but that many senators were reluctant to approve him until congressional investigators had determined his innocence conclusively. And they said the CIA could not be allowed to drift without a permanent director until Congress completes its investigation of the matter.

Baker, who abandoned a potential presidential campaign to direct the White House staff for the final 23 months of the Reagan presidency, arrived for work at 7:30 a.m. Monday and half an hour later was running his first senior staff meeting.

He said he assured the staff that "there would be no wholesale firings." Rather, he said, any changes would be made in the next few weeks.

However, it was announced barely one hour later that Peter J. Wallison, the President's counsel, was being replaced by A. V. Culvason, who was Baker's legislative chief when Baker, a Tennessee Republican, was the Senate majority leader.

Reflecting a recognition of the complaints that his predecessor viewed the White House staff as his own, Baker said: "I'm keenly aware of the fact that it is the President's staff really, and not Howard Baker's."

On his first day, Baker took pains to focus attention on the future, even though one source reported that he was appalled Friday when he arrived at the White House to find Reagan had not been told of his replacement.

Beaming optimism, Baker said that Reagan's speech Wednesday "will have a profound effect on the country's perception of his role as President and his future ability to govern."

'Stick Together'

Echoing that forward-looking note, top officials who attended a Cabinet meeting with Reagan in mid-morning "decided to stick together and move ahead and avoid contentious things, such as arguing with the Tower board over some of its less supportable conclusions," said an Administration official familiar with the deliberations.

Baker shrugged off comments attributed to him in the Miami Herald.

The newspaper's executive editor, Heath Meriwether, reported that on a flight to Washington on Friday to accept the White House job, Baker had said that the "half-life" of Reagan's memory isn't very long. And, speaking of First Lady Nancy Reagan, Baker was quoted as saying: "When she gets her hackles up, she can be a dragon."

On Monday, Baker said:

"In my experience as majority leader, I found that the President was as good as anybody in the give-and-take discussion on sensitive, important and complex issues, but that, when you approached him about it two weeks or two months later, you found that the half-life of that memory was short. But so is mine."

As for Mrs. Reagan, who reportedly helped to lead the effort to remove Reagan, Baker said: "The First Lady is a distinguished citizen of this nation. She's a great lady. And she obviously is a lady of strong convictions."

He said he would talk to her later in the day.

About what?

"Whatever she wants to talk about," he replied.